

A Study on Sustainability & Coping Ability of SHGS Members with Special Reference to SKDRDP Micro Finance Programme

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ABSTRACT

Micro finance in general is a practice of providing the poor with credit, savings and insurance facilities to set up or to expand Income generating activities relating to agriculture and its allied activities and non-farm sector and thereby reducing poverty. In India, the history of Micro Finance, rural credit, and poverty alleviation are inextricably interwoven. Micro Finance has turned out to be a very useful development assistance product. It reached millions of poor people and emerged as a revolution. Over the past two decades of the Bank's association, India's SHG movement has evolved from small savings and credit groups that sought to empower poor rural women, into one of the world's largest institutional platforms of the poor. Today, 67 million Indian women are members of 6 million SHGs.

Presently SKDRDP is actively involved in implementing the financial inclusion plan of the government of India by working as Banking Correspondent and Business Facilitator (BC and BF) in all the areas of its operation. Under the programme SKDRDP is promoting Self Help groups enabling the poor people in the remote villages to access banking facilities at their door steps. The paper is an attempt to understand the progress of SHGs members after taking micro finance service from SKDRDP. Through the current study the researcher has made an attempt to analyze the perception of selected Self help group members on Micro Finance Programme, the challenges they faced and the steps taken by SKDRDP to overcome the same due to the hit of COVID-19 & the support they got for their growth to survival.

KEYWORD: SHGs Movement, Micro Finance, Financial Inclusion, Business Facilitator

1. INTRODUCTION

Micro finance in general is a practice of providing the poor with credit, savings and insurance facilities to set up or to expand Income generating activities relating to agriculture and its allied activities and non-farm sector and thereby is poverty reducing mechanism. Micro finance is needed a very traditional and familiar form of business. Microfinance has turned out to be useful development assistance product. It reached millions of poor people and emerged as a revolution. It is a viable alternative that reached the hitherto unreached for their social and economic empowerment through financial and social intermediation. In microfinance the practice of group lending contracts with joint liability is widely accepted as a potential innovation or a noble solution for imperfections in rural credit markets to minimize risks in the credit markets. The joint liability between the group members provides incentives or compels the group to undertake the tasks of selection, monitoring and enforcement of repayment in a cost effective manner.

Micro Finance generally associated with:

Poverty alleviation interventions, Income distribution amongst a wider section of population, pursuing power redistribution where a large number of people do not have purchasing power to participate in a market economy. It is

associated with savings in small amounts and small loans. The affordability, availability, accessibility of small loans in a flexible, sensitive and responsive manner. The availability of timely, adequate uninterrupted finance that cannot provide collateral in a non-bureaucratic style. The interchangeable use or the terms "Micro Finance" and "Micro Credit". It is a springboard for creating micro-entrepreneurs, gender development, etc.

SKDRDP in order to develop the rural masses provides 3 main financial instruments.

- Loans
- Insurance
- Pensions

These microfinance activities provide stable ground for poverty alleviation. The loans are provided by the banks and SKDRDP acts as bank linkage to members. SKDRDP brings banking closer to people with its BC Suvidha Scheme. The BC Suvidha also mobilizes savings causing people to inculcate habit of saving. The Business Correspondent laid the foundation of stronger growth. To make the families stronger from the uncertainties of life, SKDRDP provides Insurance and Pensions. SKDRDP acts as an aggregator/

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collection agency for National Pension Scheme by central government. Being a very important program NPS works as division of SKDRDP. There are 2 Insurance programs of SKDRDP. Jeevan Madhura Life Insurance and Sampoorana Suraksha Health Insurance. The Jeevan Madhura is sponsored by LIC and SKDRDP acts as Insurance Broker. Sampoorana Suraksha is a section of 25 company and Subsidiary of SKDRDP. Sampoorana Suraksha provides health insurance.

Almost 50% of our country men / women do not have bank accounts. It is the endeavor of the government of India to make everybody an account holder in the bank, Called as Financial Inclusion, this is a enormous task. SKDRDP has been acting as Business correspondent for achieving financial inclusion. This model envisages financial inclusion at the door step of the poor by opening village offices known as the customer service point. SKDRDP took an active part in implementing the Financial Inclusion plan of the government of India by working as Business Correspondent and Business Facilitator (BC and BF) in all districts of Karnataka. Under the programme SKDRDP promotes Self Help groups enabling the poor people in the remote villages to access banking facilities at their door steps. SKDRDP is BC and BF to State Bank of India, Union Bank of India, Canara Bank, Corporation bank, IDBI bank, Pragathi Krishna Grameen Bank, Bank of Baroda and Syndicate Bank. Here each talluk and city centres are mapped to particular bank's branch. For example- IDBI's Gokul Road branch is used for servicing requests of Navalgund and Dharwad talluk, Similarly Syndicate Bank's Puttur branch is nodal branch for servicing the requests of puttur talluk. SKDRDP working as BC for the last nine years covering almost 17,500 villages and towns. As a BC SKDRDP is using POS (Point of Sale) machines in the villages extensively to conduct the transactions of the poor people with the bank. At present on a weekly basis almost Rs. 80.00 crores is being transacted through this system.

Active SHG's	477250
Total Members	4096777
Loan Outstanding (Crores)	9625
Suraksha Claims Settled	929931

Source: SKDRDP Website

2. Statement of the Problem

"An Insight on SHGs Members Perception on Micro Finance Program of SKDRDP - Growth to Survival". Whatever provisions have been done for the benefits of members unless it is perceived by them in a right sense, those benefits are of no use. So the perception of the members regarding the micro finance program is of much more importance. Therefore sincere efforts have been done here to study the perception of members of SHGs of SKDRDP on Micro Finance Program.

3. Objectives of the study

- To analyze the perception of members of SKDRDP on Micro Finance Programme before the pandemic
- To study the Challenges faced by SHG Members and the organization for growth and survival
- To study the Economical & Social changes among SHGs members after the hit of pandemic.
- To know the Coping strategies adopted by SKDRDP to handle the situation

4. Research Design

The researcher has undertaken casual research & the perception of members of SKDRDP has been taken in to consideration. No hypothesis has been included in the study as not many studies have been conducted on Micro Finance organization. On the basis of which, the assumptions can be drawn.

5. Data Collection Method

Both Primary & Secondary sources are used for this study. Primary data is collected by interacting with selected members from different part through unstructured interview. Secondary data were collected through SKDRDP Website.

SHGs Members Perception on Micro Finance Programme of SKDRDP - Growth to Survival before the Pandemic

1. Smt. Laxmi Devara (8050161711), member of 'Nagadevathe' Self Help Group in Dharwad.

According to Smt. Laxmi Devara (8050161711), member of 'Nagadevathe' self Help Group in Dharwad, Motivation, training and hassle free credit from Self Help Group helped her to upscale the business. Now she is earning Rs.750/- to Rs.1000/- per day. Prior to the formation of SHG, Laxmi Devara was preparing savories in small scale and selling them locally. Though she had the intention of expanding her business, she could not do it due to shortage of funds. She could not afford to borrow either from banks or money lenders as former require collateral and that is very expensive. Her life took a turn in 2011; When SKDRDP expanded its SHG operations to Dharwad district of Karnataka. On motivation from SKDRDP "Sevaniratha", Laxmi devara along with her peers formed 'Nagadevaathe' SHG. After regular savings for a period of 12 weeks she borrowed first loan of Rs.10,000/- and utilized it for her business. As her SHG grew older she borrowed larger amounts. So far she has borrowed more than Rs.2.80 lakhs and utilized same for business expansion. Now she has employed 4 members and is supplying products at wholesale rate to the shopkeepers in neighboring towns. Now Laxmi Devara is an inspiration to many Rural SHG women who aspire to be self reliant.

Name	Smt. Laxmi Devara
Initial Loan taken	10,000
Purpose	Business
Earning	750 to 1000 per day

2. Smt.Vasanti of Pervaje in Bellare division of Sullia taluk

Vasanti of Pervaje in Bellare division of Sullia taluk has mastered the skill of preparing roses out of thread bags. Vasanti is a member of 'Matrushri' Jnanavikasa team. You might have observed, in temples they usually distribute Prasadam in small bags made out of threads. We may use such bags to bring vegetables and grocery for few days before throwing them into dustbins. But, Vasanti of Pervaje in Bellare division of Sullia taluk has mastered the skill of preparing roses out of thread bags. Vasanti is a member of 'Matrushri' Jnanavikasa team, which is working hard to convert our society plastic-free under the leadership of Hemavathi V. Heggade. She has also conducted a one-day training programme for other 42 members of the group. In fact, Vasanti was interested in preparing decorative items

from plastic and paper since her childhood. After joining the SKDRDP, she got a platform to showcase her talent. Vasanti herself prepares the flower bouquets for various programmes of here" says Jnanavikasa Coordinator Mamata.

Vasanti collects thread bags from others also. She has mastered the art cutting the bags in shape and folding them in the shape of rose. It needs around two to three days. This work is done with the help of fingers. The pieces of bags should be folded like rose pallets and it should be stitched using glue. For most of the SKDRDP programmes in the region, Vasanti and team prepares the decorative flowers. Moreover, these flowers can be used as decorative items in houses. Vasanti is also known for preparing decorative items like bags of plastic wires, flower pots etc. Vasanti's attempt to add value to wastages is appreciable. Her advice, guidance can be helpful to many other members of the group, if they show interest in the artwork.

3. Smt.Manjula, a housewife from Devanahalli in Bengaluru Rural, member of Sri Karagamaale, Prerana Jnanavikasa SHG helps to achieve self-reliance

Manjula, a housewife from Devanahalli in Bengaluru rural is a member of Sri Karagamaale self-help group. Her dream of working from home became true with the help of SKDRDP. Now she earns around Rs. 1, 28,000 in dairy farming. She is also the member of Prerana Jnanavikasa. After choosing her favourite dairy farming, Manjula got a loan of Rs. 10,000. She collects around 30 litres of milk every day. She uses cow dung manure as compost. As dairy farming is her favourite job, it keeps her happy. They are providing good education to their children. She proved that she is capable of running the self-help group. Now, her average income is around Rs. 1, 28,000 from milk and compost.

4. Smt.Nayana Hegade member of Shri Mookambika SHG in Sirsi. : 'Tsunami' rose makes an impact in Malnad"

There was an old assumption that malnad means not only the heavy rains, wind and chill. The crops of the region are not only arecanut, pepper, coffee and cardamom but there are more. If you discuss about growing flowers, you can see jasmine here and there. If you try any other crop, it would just get decomposed or get shrunk by the wind. Here is a woman who managed to overcome all the odds and to taste the success.

There is no history of growing Tsunami roses in Malnad. But Nayana Hegade of Kuluve Kenchagadde in Sirsi taluk, wanted to create history and she did by growing Tsunami roses. She got nice crop which filled her pockets just after two months after planting the saplings. In fact, Shri Kshethra Dharmasthala Rural Development Project motivated Nayana to grow flowers. When SKDRDP entered to Sirsi after joining Shri Mookambika Self-Help Group, in the guidance of an agricultural field supervisor she grew jasmine and got income. Now she has planted jasmine in 30 gunta lands spending around Rs. 80,000. One kilogram of rose would cost around Rs. 80 and she sells around 8 kgs of rose daily at Sirsi market. Nayana gets an average income of Rs. 640 every day and she is very happy about it.

5. Smt.Saraswathi member of Dhanalaxmi SHGs of Kadaba Village, Puttur TQ

Poverty was always with her for Saraswati of Dhanalaxmi self-help group of Hoige Keremane of Kadaba village of Puttur taluk. She could study only up to class three and had to depend on daily labour for livelihood. Saraswati's parents conducted her marriage at the age of 18. Still her fate of being poor continued. However, Saraswati had a strong urge to come forward in life. She joined the group in 2003 and trained for tailoring. Soon after training, she became self-employee and wanted to give job for others. She started a tailoring shop and four women work here continuously. She also gives training on tailoring in two batches. Her husband joined de-addiction camp and formed a Navajeevana Samiti and working as an electrician. They bought Rs. 3 lakh loan from the group on installments for education of children, to purchase tailoring machine and for ornaments. Now, Saraswati has come out of her small world and mingles with society. Participates in religious and social events without hesitation. She proudly says that Shri Kshethra Dharmasthala Rural Development Project is the main reason for this change in her life.

6. Smt.Gangamma from Belur Taluk, member of Nethravathi SHG.

Gangamma is from Chennakeshava Nagara of Belur taluk in Hassan district. Her families with two kids were in deep trouble because of poverty and illiteracy. Then she got a helping hand in the form of Shri Kshethra Dharmasthala Rural Development Project. Gangamma was a member of Nethravathi group and Nandagokula Jnanavikasa Kendra. She got Rs 50,000 Pragati Nidhi from SKDRDP and impressed everyone with her regular payments and utilization of money. To achieve progress in her life, Gangamma started to sale bangles. She also knows basket making and runs a small shop. Now, Gangamma is called as multi-talented in the group. As a Jnanavikasa centre member, she can adjust easily with others, manage responsibilities and she has become better speaker. There is improvement in standard of life and confidence is doubled. She expresses her heartfelt to gratitude towards SKDRDP and never forgets to attend monthly Jnanavikasa meetings.

7. Flower business brings fragrance for Ruksana Kutabuddin member of Alika SHG, Khanapur Taluk Belgavi.

Life of Ruksana Kutabuddin unfurled with her flower business. In fact, Ruksana was attracted towards flower trading by the programmes on pro-agricultural activities, as a member of Alika self-help group at Churamurkargalli work area of Khanapur taluk of Belgaum. Other members of the group also supported the family. Ruksana got some amount of Pragati Nidhi from Shri Kshethra Dharmasthala Rural Development Project and launched her business. She invested just Rs 10,000 in the first phase. Because of Ruksana's hard work and commitment, she got her investment back within few days. But this was not her aim. To increase the demand for flowers in market, she studied the market with the help of her experience. Even the group didn't hesitate to give a loan of Rs 1 lakh to Ruksana, as everyone knew that she was a hard worker and sincere member. As a result, Ruksana became one of the major flower merchants in the town. She is not only backbone of her family, but she has also given job for four jobless youth. She purchases Kakada jasmine, rose and chrysanthemum

(Sevanthige) flowers from local farmers directly, while the decorative flowers used for wedding and other event are purchased from Belagaum. Ruksana purchases flowers worth Rs 10,000 every day and sells it in Khanapur market. She has her own vehicle. As a result, she gets an income of around Rs 1,000 per day. Ruksana again proved that no achievement is impossible if a woman uses her mind.

8. Shalini Shetty - Manjushri SHGs and Shakila Banu - Shri Lakshmi SHGs

Both are entrepreneurs. Shalini Shetty is into trading and Shakila Banu into catering. Shalini Shetty lives in Dakshina Kannada district and Shakila Banu at Udupi in Karnataka. Shetty is part of Manjushri and Banu of Shri Lakshmi self-help groups. Both received RuPay cards from Prime Minister Narendra Modi on 29 October 2018. Their standard of living improved much better than earlier after they becoming the part of SHGs of SKDRDP.

Challenges faced by SHGs Members of SKDRDP Due to the Sudden Hit of Pandemic

Covid-19 changed the entire world, more specifically the Self-Help Group. By obtaining micro-finance, an SHG generally takes three to five years to mature and reach the stage of self-sustainability, graduating from consumption and low-productive activities to economic enterprises.

- Some of the SHG members may not undertake entrepreneurship due to lack of motivation, viable business opportunities, managerial skills, technical knowhow, value addition to their products or services, financial literacy, adequate supply of credit, market linkages, etc. due to this pandemic Covid 19.
- The corona virus has thrown many challenges to the members of SHGs with regard to conducting physical meeting, mobilizing savings (physical currency notes) of the group, rotating the money for internal lending among the members, depositing the physical cash towards repayment of loans, and maintaining hard copy of records, digital channels, however, made their life simple.
- A plethora of problems are being faced by SHGs including lack of transport and marketing facilities to sell their produce, non-availability of loans, not being able to clear loans from banks and more.
- COVID-19 has changed member's lives for the worse. The scenario was such that, changed the fate of women who had become economically self-reliant. They were facing lot of problems due to the lack of marketing facilities. They were not able to meet and plan strategies and mobilize savings.
- Most of the SHGs are not functioning and the chain system has been disrupted. The repayments of loans will be another big challenge they fear that there would be a large number of defaulters. Most SHG members were selling their produce in urban areas but they avoid visiting these areas due to fear of the virus and also strict restrictions by the govt authorities.
- SHGs had helped several women overcome hunger and poverty. Women had finally managed to come to the forefront but the impact of COVID-19 would take them back by 10 years. It will be very challenging to empower women again and there is a need to impart training for them to sell their products on online platforms.

Coping strategies taken by SKDRDP to handle the situation: Growth to Survival

Shri Kshetra Dharmasthala Rural Development Project (SKDRDP) is a brilliant example of a truly innovative microfinance institution. Founded in 1991 as a charitable trust promoted by Dr. D Veerendra Heggade, SKDRDP concentrates on the empowerment of rural women through self-help groups (SHGs) on the lines of Joint Liability Groups (JLBs), and provides infrastructure and finance through micro credit for the rural people.

The main intention of SKDRDP was social & economical enhancement of people who live

below the poverty line & making them independent but the hit of pandemic was a real shock even for this SHGs. But they managed the situation by adopting effective coping strategies like,

- The members could avail emergency loan up to Rs 25000 to meet the financial crunch during this pandemic period.
- SKDRDP made facility arrangement to give away Mahashasana to the door steps of the members.
- Extension period for repayment of loan was granted for SHGs up to June 2020. Interest amount was waived off during the pandemic period.
- SKDRDP made frequent interactive sessions with members to motivate & inspire them; members had an opportunity to speak out their problems & were given timely suggestions.
- Specifically, the SHG members can overcome the digital divide by operating their cash transactions through electronic banking; they can meet their peers through social/digital media without meeting in person; they can maintain their records in e-Shakti (a digital initiative of NABARD for maintaining SHGs' books of accounts, thereby improving their credit score).
- SHGs can market their products through Amazon, Flipkart, etc., thereby generating more revenue to repay their bank loans on time. Most importantly, SHG members can be imparted online training in respect of financial/digital literacy, group dynamics, market linkages, risk management, and ethics. Besides, these SHG borrowers should be groomed in terms of confidence to excel in income-generating activities

MAJOR FINDINGS

1. After joining SKDRDP, standard of living of members has been changed drastically.
2. Few of the members have started their own business and could able to offer jobs for the youth.
3. Members of SHG are voluntarily participating in eradication of social & economical problems caused due to pandemic.
4. The members of SHGs have actively taken part in welfare measures for the Upliftment of the society.
5. The weekly meeting has contributed for the overall personality development of the members.
6. Most of the members were in panic due to the sudden hit of the pandemic.
7. The support given by SKDRDP during the pandemic has made the members self-reliant & sustainable.

8. SKDRDP has played a major role in improving the social & economical conditions of individual members during pandemic.
9. Majority of SHG members were very happy due to the coping the strategies adopted by SKDRDP

Conclusion

The pandemic of Covid 19 has affected the entire world by shuttering the mankind. The same has effected drastically on SHGs who had taken a long way to reach the level in which they are now being self confident & independent. This study gives an insight on the members of SHGs their perceptions on the functioning of growth, the sudden challenges they faced & the coping strategies adopted by SKDRDP to balance growth to survival.

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